

\$400 million settlement in Qwest lawsuit OK'd

Posted on Fri, Sep. 29, 2006

DENVER (AP) - A judge has given final approval to a \$400 million settlement of a consolidated shareholder lawsuit that accused Qwest Communications of civil fraud in connection with a multibillion-dollar accounting scandal.

The settlement, first announced in November, covers Qwest and most one-time executives with the exception of former Chief Executive Officer Joe Nacchio and former Chief Financial Officer Robert Woodruff.

Qwest Communications International Inc. will pay the money into a fund to compensate shareholders. "I conclude that the settlement is fair, reasonable and adequate," U.S. District Judge Robert Blackburn wrote in the order issued late Thursday.

He stayed action on the remaining claims against Woodruff and Nacchio until next spring after Nacchio's trial on criminal charges is scheduled to conclude. Nacchio has pleaded not guilty to 42 counts of insider trading.

In addition, Stichting Pensioenfonds ABP will pursue its claims independently after it opted out of the settlement.

Blackburn awarded \$60 million in fees to the shareholders' attorneys.

The lawsuits stemmed from a government investigation of Qwest that began in February 2002.

The Securities and Exchange Commission has said fraud occurred at Qwest occurred between April 1999 and March 2002, which allowed the company to improperly report approximately \$3 billion in revenue that later was restated.

The shareholder lawsuit alleged that Qwest, and former officers and board members concealed information about the revenue.

Denver-based Qwest, the primary telephone service provider in 14 states, previously agreed to pay \$250 million to settle SEC charges of fraud without admitting or denying wrongdoing. -----

On the Net:

Qwest Communications International Inc.: <http://www.qwest.com>
